

Canadian Centre
For Foreign Policy
Development



Centre canadien
pour le développement
de la politique étrangère

**REPORT FROM THE ROUNDTABLE ON CUBA:
LESSONS LEARNED FROM THE END OF
COMMUNISM IN EASTERN EUROPE**

CCFPD

October 7, 1999 (Ottawa)

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October 15, 1999
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On the 15th of October, 1999, Cuba and Eastern Europe experts met in Ottawa to reflect on the 10th year anniversary of the fall of the Berlin Wall. The focus of the discussion was the lessons of the decade-long transformation in Eastern Europe for a potential post-communist Cuba. The roundtable was organised by the Centre for Foreign Policy Development.

1. Transition Theory

Can the experiences of Eastern Europe in transformation from Communism to a market-based economy and Western style democracy relate to a potential post-communist future in Cuba? Are there grounds for comparison? Does a framework for analysing transitions exist? The main themes within such a framework could include issues related to transition to democracy and consolidation of democracy. How compatible are reforms aimed at building a market economy and those meant to promote the growth of a liberal democracy? Can these reforms be implemented simultaneously?

Three sets of variables to look for when analysing a transition were explored. The first set of variables includes factors such as the cohesion of the nation state, political culture, and the role of the external environment (i.e., the role of international organisations). The second set focuses on a country's starting conditions including popular perceptions about what is beneficial, the nature of the previous regime and its institutions, location of the elites and social structures (stratification) generated by the previous system. The third set of variables is based on elite analysis. For instance, whether elite pacts between exiting and ascending leadership facilitate a peaceful transition. It also includes rational actor analysis.

While most participants agreed that there is ground for comparing a possible post-communist Cuba to Eastern Europe, others were not as enthusiastic. The former group argued that, after all, Cuba adopted the Soviet political and economic system and was a member of Communist alliances. The latter group argued that the particularities of the Cuban experience make such comparison impossible. These particularities include the indigenous Cuban roots of the socialist revolution, the longevity of Castro's leadership, the strength of Cuban nationalism, proximity to the U.S.A. and more generally, the Latin American context. Others noted that

Russia's revolution was also indigenous, that Tito was a long time dictator and that strong nationalism remained in East European societies.

2. Comparing Cuba to Eastern Europe: Current Situation

The East European experience is relevant to Cuba for other reasons, besides the similarity of its political and economic system and a membership in the former Communist bloc. Cuba appears to be undergoing a similar degradation of its Communist system as experienced in East Germany and other East European societies immediately before 1989.

Current political, social and economic situation in Cuba is stagnant. The system displays many of the bleak characteristics associated with the decay of Communism in the East. Civil and political liberties do not exist. The Assembly is a hollow shell. "Party runs the entire political system, the Politburo runs the Party and Fidel Castro runs the Politburo." Society is suppressed, no opposition is tolerated. The Government has appropriated the socialist revolution. It has monopolised virtue and posits itself as a moral guide to the Cuban people.

The economy is stagnating. The state has attributed this situation to the embargo. The economy is afloat only due to revenues from tourism, remittances from family members abroad, and some sanctioned foreign investment. Export performance remains weak and disinvestment continues. The public sector, including education and health care, is collapsing. Semi-private services are emerging to cope with shortages. This contributes to a two-tier system in which those with hard currency benefit while those without dollars sink into deeper hardship.

The decay of the system is reflected in social erosion. For people to survive, they have to earn dollars, work part time (for instance, doctors are forced to drive taxis by night), resort to theft (principally from the state), rely on tourism or participate in the gray and "prostitution" economy. The artificially low exchange rate inevitably leads to black market activities (and the dollarisation of the real Cuban economy). This "crony" communism is plagued by wide-spread systemic corruption. But not only that, people are forced to have a double morality. One for public consumption, the other for private.

At a transition moment, Cuba will be faced with similar problems that the East Europeans had to tackle after the fall of the Berlin Wall. At that time, the economic analysis of Janos Kornai, the foremost authority on planned economic systems, as well as the East European experience with economic reform could come in handy. The experience in Eastern Europe with building a Western style civil society, institutional reform and other transition challenges could be instructive as well.

3. Challenges of a Potential Transformation: Lessons from Eastern Europe

While many Cubans perceive the regime as unsustainable they do not see a way out. What are the alternatives to the current Cuban stagnation? In theory, there are three prerequisites for a rebellion. First, people perceive they are being mistreated. Second, there exist viable alternatives to their present condition. Third, a catalyst acts as a mobilising factor. In respect to the first prerequisite, the state has been successful in blaming the U.S.A. for economic difficulties. There is no clear alternative or programme of change articulated either inside or outside of the government in Cuba to fulfil the second prerequisite. What would happen a day after a revolution? Without such a plan no catalyst will rally people for change.

The decade of transition in the East presents a mixed picture. While some countries seem to be on their way to success, others, including Russia, remain in an almost permanent crisis. The entire approach to transition is being re-evaluated by the leaders of the reform process themselves from, the relationship between economic reforms and democratisation to the role of civil society in transition.

On the one hand, the collapse of Communism in the East brought immediate political freedoms. Some economic successes include macroeconomic stabilisation and the emergence of small businesses. On the other hand, institutionalising "democracy" proved to be a much more difficult task. While edifices of a democratic regime have been erected (i.e., elections, multi-party systems, parliaments, Constitutions), elements of a non-democratic system persist (i.e., corruption, links between business and political leadership, a weak inactive civil society, an arbitrary legal system, the chasm between state and society and so on). In some cases, the social costs of transformation have been quite staggering (see, the recent United Nations Development Programme report on transition countries).

Another important determinant of the path of transition in Eastern Europe has been the international environment. The global monetary system, trading regimes as well as emerging global production, have all posed opportunities and challenges for the crumbling planned economies.

While the East European experience with the end of Communism and a decade of transition may offer some lessons to the Cubans, there has been no systematic analysis of transition or post-Communism in Cuba. The Cuban leadership has been reluctant to initiate any official analysis of the Communist collapse and what followed. Some roundtable participants argued that a decade is too short a period to determine the long-term path of transition in Eastern Europe. Statistics from the East, in many instances are inadequate guides to long-term phenomena.

Some participants questioned the assumption that Communism would automatically collapse with the departure of Fidel Castro and/or his brother. Others drew attention to the weakness of civil society and expressed their doubts about bottom-up change. However, the East

European specialists pointed out that by 1980's civil society in Eastern Europe has been as oppressed and atomised as Cuban society. In many countries, change came from above. It is possible that the Cuban state is not as strong as it appears. The possibility exists of the regime falling down like a house of cards.

The necessity for individual initiative to cope with constant shortages has made some segments of society more independent. Increasingly, people are no longer dependent on the state for employment. It may be that a space for possible opposition is growing in the ranks of the self-employed. Meanwhile, food riots may serve as the necessary catalyst for change. Contrary to Eastern Europe, the role of intellectuals seems to have rapidly diminished since 1996. However, the elites are not monolithic either. Differentiation is required between hard-liners and technocrats (who provide the former with advice and know how). Perhaps, there is a potential for a rift within the leadership ranks. Moreover, before 1996, limited NGO activism was allowed. Spaces exist, although oppressed, for change to occur. Attention should be paid to the role of the U.S.A., particularly the Right-wing lobby, and the presence of foreign journalists in an event of change.

Some asked the question whether there is a role for the Cuban diaspora living in the U.S.A. in transforming Cuba. Others stressed the possible reaction of the U.S.A. to the collapse of Communism in Cuba and the danger of American neocolonialism. Attention was paid to the possibility of a Chinese model for Cuba whereby the economy is liberalised while political freedoms continue to be curtailed. Do economic and political reforms have to be implemented simultaneously? Other questions included whether it is possible to have social justice and political freedom at the same time and whether economic freedom would only open opportunities for a Cuban mafia to flourish. What would be the social consequences of free markets in Cuba, particularly for women and the underprivileged?

4. Concluding Remarks

In conclusion, despite the different contexts, Cubans and others can learn from the collapse of Communism in Eastern Europe and the decade of transition. It is unlikely that the regime in Cuba can outlive Castro in the present form. Cuba has the opportunity to avoid some mistakes Eastern Europe is still grappling with. Even neo-liberal economists like Joseph Stiglitz have admitted the flaws of implementing free markets too fast. The social nets build by the Communist regimes do not have to be dismantled along with the "KGB." The involvement of civil society is imperative.

Canadian foreign policy should support these ideas/lessons. Canadians could prepare to build civil society in Cuba. Economic arrangements should reflect this effort. Economic negotiations and agreements should consider local culture and needs. Through the human security lens, issues as drugs, crime, and child exploitation could be addressed.



October 7, 1999

Dear Friends,

This Fall marks the 10th anniversary of the collapse of Communist regimes in Eastern Europe. In many places there are reflections on the reasons, processes, and results of these changes. It is a good moment to consider "lessons learned" as they might be useful to some future post-communist moment in Cuba.

It could be that there are both, positive and negative lessons to reflect upon from the East European circumstances (i.e., generally successful restructuring of public administration vs. chaotic privatisation). Recognising that Cubans are not East Europeans (and, in fact, Poles are not Romanians) a reflection and contemplation of "how to do" post-communism certainly would be interesting and could be useful.

In this spirit of creative thinking it is a pleasure to invite you to an informal roundtable to share insights and reflect on the circumstances and experiences of these two parts of the world.

The meeting will take place on October 15, 1999, from 9:00AM to 3:30PM, at the Department of Foreign Affairs and International Trade (Lester B. Pearson Building, 125 Sussex Drive). Lets meet at the front desk and we will escort you to our meeting room. We will reimburse fare and overnight accommodation for those travelling to Ottawa (please, book early and if you can, stay overnight Saturday in order to reduce the airfare).

The objective of our meeting will be sharing insights and knowledge rather than our usual objective of seeking policy recommendations. A report will be drawn and distributed afterward.

I look forward to seeing you on October 15.

Sincerely,

Steven Lee
National Director





125 promenade Sussex Drive Ottawa, Ontario K1A 0G2

**CUBA: LESSONS LEARNED FROM THE END OF COMMUNISM IN
EASTERN EUROPE**

October 15, 1999

Department of Foreign Affairs and International Trade (A2-217, meet at front desk)
Ottawa, Ontario

9:00 Coffee, Donuts

9:30 Welcome, Chair: Steven Lee, National Director, Canadian Centre for Foreign Policy Development (CCFPD)

9:40 Panel:

1. *The Evolution of Transition Theory*, Joan DeBardeleben, Carleton University
2. *The Current Situation in Cuba*, Prof. Arch Ritter, Carleton University
3. *The Transformation Trends in Eastern Europe*, Prof. Piotr Dutkiewicz, Carleton University
4. *The Cause for Comparison/Implications of the East European Transformations for Cuba*, Prof. Reneo Lukic, Université Laval

10:40 Coffee available

11:00 Discussion 1: *Lessons from the East European Transformation: Positive Developments*

Examples of issues may include:

- Labour Market (protection of labour, employment services)
- Development of the Service Sector
- Positive Changes in Public Administration
- Emergence of the Banking Sector

12:30 Lunch

1:30 Discussion 2: *Challenges from the East European Transformation*

Examples of issues may include:

- Privatisation process / Restructuring of Enterprises
- Social Policy
- Political Culture

3:00 Coffee available

3:30 Closing remarks

